

THE PUBLISHED ANNUAL FINANCIAL

STATEMENTS OF

THULAMELA LOCAL MUNICIPALITY

30 JUNE 2007

THULAMELA LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF EXECUTIVE COMMITTEE

Councillor Makumbane T.N	Mayor (Chairperson of Executive Committee)
Councillor Malindi O.T	Chairperson of Land use & Traditional Affairs Portfolio Committee
Councillor Mulandana M.A	Chairperson of Finance Portfolio Committee
Councillor Mahosi N.G	Chairperson of Housing & Electricity portfolio Committee
Councillor Mabasa K.K	Chairperson of LED portfolio Committee
Councillor Fungeni M.C	Chairperson of Education, Sports & Culture Portfolio Committee
Councillor Mulaudzi N.S	Chairperson of Protection Services Portfolio
Councillor Nenguda D.A	Chairperson of HR Portfolio Committee
Councillor Ngovheni R.R	Chairperson of Roads & Storm water portfolio Committee
Councillor Nethononda L.	Chairperson of Special programmes portfolio committee

GRADING OF LOCAL AUTHORITY

Grade 3

AUDITOR

The Auditor-General

BANKERS

First National Bank, Thohoyandou Branch, P.O. Box 284, Thohoyandou, 0950

REGISTERED OFFICE

THULAMELA Civic Centre
THOHOYANDOU
LIMPOPO

Private Bag X5066
THOHOYANDOU
0950

Telephone: 015 962 7500

MUNICIPAL MANAGER

Mathivha M.H

CHIEF FINANCIAL OFFICER

Madzhie M.A

THULAMELA LOCAL MUNICIPALITY

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THULAMELA LOCAL MUNICIPALITY

GENERAL INFORMATION

MEMBERS OF THULAMELA MUNICIPAL COUNCIL

The Mayor: T.N Makumbane

Speaker: F.T Chauke

Chief Whip: M.E Mammba

Ward Councillors:	M.P Shirindzi	M. Mukheli
	N.R Ndou	N.W. Mutoti
	M.E Musalafu	T.S. Mpilo
	K.S Chabani	M.M.Mulaudzi
	M.L.Maluleke	T.N. Mphaphului
	N.A Makuleke	N.G. Mahosi
	H.T Maluleke	T.T. Nemukula
	M.E Baloyi	H.P. Mulovhedzi
	M.P.Themba	T.D. Nyambeni
	M.J. Baloyi	M. Netshivha
	M.C. Fungeni	M.S. Rammela
	M.N. Manganyi	K.J. Netshifhefhe
	T.N. Mtleni	M.B.Dombo
	T.S. Mathebula	E.T. Muedi
	S.G. Maluleke	S.A. Mugeru
	T.S. Mbedzi	A.J. Davhana
	M.A. Mulandana	T.S. Magada
	L.M. Madondo	T.P. Malada
	E.K. Mulaudzi	Mandiwana

PR Councillors:	J. Mabasa	K. Nemaranzhe
	O.T. Malindi	H.J. Maluleke
	N.S. Mulaudzi	L.E. Ligaraba
	D.A. Nenguda	N.A. Tshitahle
	T.J. Bila	K.E. Maholwane
	P.M. Shibambo	H.B. Ramulifho
	L. Nethononda	K.K. Mabasa
	R.R. Ngobeni	N.D. Sigidane
	R.E. Ngwana	R.T. Marole
	T.R. Ratshitanga	M. Kennedy
	M.D. Marutha	V.E. Mulaudzi
	M.B. Luthada	M.B. Muofhe
	A.P. Nethengwe	A. Kholophe
	N.A. Matambele	A.E. Ramudingane
	T.M. Sambo	A.E. Mkhatywa
	M.E. Lambani	
	K.C. Mphaphuli	
	L.P. Ramaano	
	N.B. Mulaudzi	
	M.S. Phaswana	

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 4 to 19 were signed by the Municipal Manager and submitted to the Office of the Auditor-General on the

MUNICIPAL MANAGER
MATHIVHA M.H

CHIEF FINANCIAL OFFICER
MADZHIE M.A

**THULAMELA LOCAL MUNICIPALITY
FOREWORD**

**BY
THE HONOURABLE MAYOR MAKUMBANE**

In our endeavor to provide basic infrastructure services we were faced with challenges of reduction of unemployment and eradicating poverty in our area of jurisdiction. The Integrated Development Plan that was produced with interaction with all stakeholders guided the Municipality in providing services required by members of the community.

We strive to provide further basic services in accordance with SA Constitution to the community with the aid to be received from MIG and other Government Grants and aids.

We are quite aware that there are no shortcuts. Achieving sustainable growth and development, requires making choices - sometimes difficult choices. It means prioritizing and reprioritizing. It demands a constant and honest evaluation of what we are doing and how we are doing it.

The 2006/2007 financial statements reflects the results of our efforts.

**MAYOR
MAKUMBANE T.N**

THULAMELA LOCAL MUNICIPALITY

TREASURER'S REPORT

1. OPERATING RESULTS

Details of the operating results per department, classification and object of expenditure are included in appendices D and E. The applicable statistics are shown in appendix F
The overall operating results for the year ended 30 June 2007 are as follows

INCOME	Actual 2006 R	Actual 2007 R	Variance 2005/2006 %	Budget 2007 R	Variance Actual/Budget %
Opening surplus	-	-	-	-	-
Operating income for the year	184 841 855	167 371 215	-9.5	251 718 239	(50.4)
Closing deficit	-	-	-	-	-
	184 841 855	167 371 215		251 718 239	
EXPENDITURE					
Opening deficit	-	-	0.0	-	-
Operating expenditure for the year	141 233 825	243 841 234	72.7	251 718 239	(3.2)
Sundry transfers	(43 102 037)	-	(100.00)	-	-
Closing surplus	-	-	0.0	-	-
	98 131 788	243 841 234		251 718 239	96.9 %

1.1. RATES, GENERAL AND HOUSING SERVICES

68.6 %

	Actual 2006 R	Actual 2007 R	Variance 2005/2006 %	Budget 2007 R	Variance Actual/Budget %
Income	177 646 885	179 507 045	1.0	251 718 239	(40.2)
Expenditure	127 994 171	243 699 105	90.4	244 718 239	(0.4)
Surplus (deficit)	49 652 714	(64 192 060)	-229.3	7 000 000	110.9
Surplus (deficit) as % of total income	28.0 %	(35.8)%	-227.9	2.8 %	

1.2. TRADING SERVICES

Electricity Service

	Actual 2006 R	Actual 2007 R	Variance 2005/2006 %	Budget 2007 R	Variance Actual/Budget %
Income	7 194 970	870 718	-87.9	-	100.0
Expenditure	13 239 654		(100.)		#DIV/0!
Surplus (deficit)	(6 044 684)	870 718	(114. 4)	-	100.0
Surplus (deficit) as % of total income	-84%	100%	(219.)		

Water Service

	Actual 2006 R	Actual 2007 R	Variance 2005/2006 %	Budget 2007 R	Variance Actual/Budget %
Income	-	-	0.0		0.0
Expenditure	-	-	0.0		0.0
Surplus (deficit)	-	-	0.0	-	0.0
Surplus (deficit) as % of total income					

THULAMELA LOCAL MUNICIPALITY
TREASURE'S REPORT (CONTINUE)

2. CAPITAL EXPENDITURE AND FINANCING

The following capital expenditure was incurred during 2006/2007

<u>DESCRIPTION</u>	<u>ACTUAL 2007</u>	<u>BUDGET 2007</u>	<u>ACTUAL 2006</u>
Roads and stormwater	36 265 970	48 092 065	28 157 943
Water supply	65 506	-	-
Electrification	5 852 294	7 000 000	11 321 878
Recreation	9 498 735	36 298 688	4 600 792
Municipal buildings	2 143 657	4 347 905	6 412 768
Vehicles	1 119 149	1 870 000	769 628
Other fixed assets	5 395 307	10 705 786	5 552 904
	60 340 619	108 314 444	56 815 913

The fixed assets were financed from the following funds:

<u>DESCRIPTION</u>	<u>ACTUAL 2007</u>	<u>BUDGET 2007</u>	<u>ACTUAL 2006</u>
CONTRIBUTIONS FROM:			
Own income	22 341 542	40 685 147	27 344 853.00
Grants and subsidies	37 999 077	67 629 297	29 471 060.00
	60 340 619	108 314 444	56 815 913.00

A complete analysis of capital expenditure is included in Appendix C

3. EXTERNAL LOANS, INVESTMENTS AND CASH

External loans outstanding, total investments from the various funds and cash were the following

	2007 R	2006 R
Investments	-	-
Bank balance	37 016 495	36 543 823

4. FUNDS, RESERVES AND PROVISIONS

The movement regarding statutory funds, reserves, trust funds and provisions is reflected in Appendix A.

THULAMELA LOCAL MUNICIPALITY

TREASURE'S REPORT (CONTINUE)

5 APPRECIATION

I hereby wish to thank the Municipal Manager and personnel for the support they have given me during the preparation of these statements.

Madzhie MA
CHIEF FINANCIAL OFFICER
THULAMELA MUNICIPALITY

THULAMELA LOCAL MUNICIPALITY

ACCOUNTING POLICIES

1. Basis of presentation

- 1.1. These financial statements have been prepared to conform to the standards laid down by the Institute of Municipal Finance Officers in its Code of Practice for Local for Local Government Accounting (1997) and the Published Annual Financial Statements for Local Authorities (2nd edition 1996, as amended)
- 1.2. The financial statements are prepared on the historical cost basis, adjusted for capital expenditure as more fully detailed in note 3. The accounting policies are consistent with those applied in previous years, except if otherwise indicated.
- 1.3. The financial statements are prepared on the accrual basis:
Income is accrued when measurable and available. Certain direct income is recorded when received, such as traffic fines, certain licences and governmental grants.
Expenditure is accrued in the year it is incurred.

2. Consolidation

The balance sheet includes Rate and General Services, Housing Service, Trading Services and the different funds, reserves and provisions. All inter-departmental charges are set-off against each other, with the exception of assessment rates, refuse removal, sewerage, electricity and water, which are treated as income and expenditure in the respective departments.

3. Fixed assets

- 3.1. Fixed assets are stated at historical cost or at valuation (based on market price at date of acquisition), where assets have been acquired by grant or donation, while they are in existence and fit for use, except in the case of bulk assets which are written off at the end of their estimated life as determined by the Treasurer.
- 3.2. Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation, however, certain structural differences do exist. By way of this "provision" assets are written down over their estimated useful life. Apart from advances from the various council funds, assets may also be acquired through:
Appropriations from operating income, where the full cost of the asset forms an immediate and direct charge against operating income, and therefore it is unnecessary to make any further provision for depreciation.
Grant or donation, where the amount representing the value of such grant or donation is immediately credited to the "Loans Redeemed and other Capital Receipts" account.
- 3.3. All net proceeds from the sale of fixed property are credited to the Land Trust Fund. Net proceeds from the sale of other assets are credited to the Capital Development Fund or to Income.
- 3.4. Capital assets are financed from different sources, including external loans, operating income, endowments and internal advances. These loans and advances are repaid within the estimated lives of the assets acquired from such loans and advances. Interest is charged to the service concerned at the ruling interest applicable at the time the advance is made.

THULAMELA LOCAL MUNICIPALITY

ACCOUNTING POLICIES (continued)

4. Inventory

Inventory (stores and materials) is valued on the lower of cost or net realisable value.

5. Funds and reserves

5.1. *Capital development fund*

The Capital Development Fund Ordinance no 9 of 1978 requires a minimum contribution of 1,0% of the defined income for the immediately preceding financial year.

5.2. *Land trust fund*

The Land Trust Fund is used to finance the acquisition of land for housing projects. When land owned by the Council is sold, all proceeds therefrom are credited to the Fund.

6. Provisions

Provisions are created for liabilities or contingencies which are known at the date of the balance sheet, but for which the amounts involved cannot be determined with substantial accuracy. Provisions are made for leave payments, audit and debtors.

7. Surpluses and deficits

Any surpluses or deficits arising from the operation of the electricity and water services are transferred to Rate and General Services to alleviate the tax burden of rate payers.

8. Investments

Investments are shown at the lower of cost or market value if a permanent decline in the value occurred, and are invested according to the provisions contained in Circular 1 of 1994 issued by the Provincial Administration.

9. Income recognition

Water and electricity billings

All meters are read and billed monthly. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month in which they are indeed read.

The municipality is not a service provider for water and electricity but act as agent for Vhembe District Municipality for water provision.

Assessment rates

Assessment rates is levied in phases. Tax is levied on land value only. Rebates was given for rural residential sites..

10. Comparative figures

Certain figures in the financial statements were regrouped.

THULAMELA LOCAL MUNICIPALITY

BALANCE SHEET AT 30 JUNE 2007

	Note	2007 R	2006 R
CAPITAL EMPLOYED			
FUNDS AND RESERVES		38 659 231	38 659 231
Statutory funds	1	11 633 546	11 633 546
Reserves	2	27 025 685	27 025 685
RETAINED SURPLUS / (ACCUMULATED DEFICIT)	18	40 284 498	116 911 286
		<u>78 943 729</u>	<u>155 570 517</u>
TRUST FUNDS	3	1 393 051	1 403 617
LONG-TERM LIABILITIES	4	-	-
CONSUMER DEPOSITS - SERVICES	5	136 033	136 033
		<u>80 472 812</u>	<u>157 110 167</u>
EMPLOYMENT OF CAPITAL			
FIXED ASSETS	6	-	-
INVESTMENTS	7	-	-
LONG-TERM DEBTORS	8	738 877	1 736 957
DEFERRED CHARGES	11	-	-
		<u>738 877</u>	<u>1 736 957</u>
NET CURRENT ASSETS		79 733 936	155 373 210
CURRENT ASSETS		104 918 862	164 848 890
Debtors	10	101 651 379	122 678 913
Cash		37 016 495	36 543 823
Stock	9	(37 379 703)	1 210 305
Short-term investment	7	-	-
Short-term portion of long-term debtors	8	3 630 690	4 415 849
CURRENT LIABILITIES		(25 184 926)	(9 475 680)
Provisions :	12	5 067 762	3 370 741
Creditors	13	20 117 164	6 104 939
Short-term portion of long-term liabilities	4	-	-
Bank overdraft		-	-
		<u>80 472 812</u>	<u>157 110 167</u>

THULAMELA LOCAL MUNICIPALITY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus / (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus / (Deficit) R	Budget Surplus / (Deficit) R
177 646 885	127 994 171	49 652 714	RATE AND GENERAL SERVICES	179 507 045	243 699 105	0 (64 192 060)	-
176 319 010	125 662 645	50 656 365	Community services	178 744 613	242 306 107	(63 561 494)	-
-	-	-	Subsidised services	-	-	-	-
1 327 875	2 331 526	(1 003 651)	Economic services	762 432	1 392 998	(630 566)	-
7 194 970	13 239 654	(5 176 584)	TRADING SERVICES	(12 135 831)	142 130	(12 277 960)	-
<u>184 841 855</u>	<u>141 233 825</u>	<u>44 476 130</u>	TOTAL	<u>167 371 215</u>	<u>243 841 234</u>	<u>(76 470 020)</u>	-
		43 102 037	Appropriations for the year (refer to note 14)			-	
		87 578 167	Net surplus / (deficit) for the year			(76 470 020)	
		29 333 119	Accumulated surplus / (deficit) at the beginning of the year			116 911 286	
		<u>116 911 286</u>	ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			<u>40 441 266</u>	

(Refer to Appendices D and E for more detail)

THULAMELA LOCAL MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	Note	2007 R	2006 R
CASH RETAINED FROM OPERATING ACTIVITIES		60 813 292	41 255 808
Cash generated by operations	19	8 606 845	132 345 514
Investment income	APP D	(23 206 559)	17 626 624
(Increase) / decrease in working capital	20	75 413 006	(79 240 898)
		60 813 292	70 731 240
Less: External interest paid	17	-	(4 372)
Cash available from operations		60 813 292	70 726 868
Cash contributions from the public and State	APPEN C		(29 471 060)
Proceeds on disposal of assets	APPEN A		
CASH UTILISED IN INVESTMENT ACTIVITIES			
Investment in fixed assets	APPEN C	(60 340 619)	(56 815 913)
Project expenditure		-	-
NET CASH FLOW		<u>472 673</u>	<u>(15 560 105)</u>
CASH EFFECTS ON FINANCING ACTIVITIES			
Increase / (decrease) in long-term loans	21	-	-
(Increase) / decrease in cash investments	22	-	-
(Increase) / decrease in cash	23	(472 672)	(15 560 105)
NET CASH (GENERATED) / UTILISED		<u>(472 672)</u>	<u>(15 560 105)</u>

THULAMELA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007

	2007 R	2006 R
1 STATUTORY FUNDS		
Capital development fund	<u>11 633 546</u>	<u>11 633 546</u>
(Refer to appendix A for more detail)		
2 RESERVES		
Computer Replacement Fund	950 000	950 000
Vehicle Replacement Fund	5 948 900	5 948 900
Working Capital Reserve	<u>20 126 785</u>	<u>20 126 785</u>
	<u>27 025 685</u>	<u>27 025 685</u>
(Refer to appendix A for more detail)		
3 TRUST FUNDS		
Mukumbani PHP	(48 835)	(48 835)
Waste Management Project	(320)	(320)
Tshifudima Project	62 951	62 951
Lwamondo Agro Project	707	707
Tamisani Rural Project	2 530	13 096
Murara Agriculture Project	(9 350)	(9 350)
Milaboni PHP	19 094	19 094
Xikundu Housing Project	(2 764)	(2 764)
Tshamutilikwa	9 766	9 766
Tshiavha /Tshidzivhe PHP	<u>1 359 272</u>	<u>1 359 272</u>
	<u>1 393 051</u>	<u>1 403 617</u>
(Refer to Appendix A for more detail)		
4 LONG-TERM LIABILITIES		
Government loans	-	-
Other loans	-	-
Less: Current portion transferred to current liabilities	-	-
	<u>-</u>	<u>-</u>
(Refer to appendix B for more detail on long-term liabilities)		
5 CONSUMER DEPOSITS - SERVICES		
Electricity and water	136 033	136 033
Other	-	-
	<u>136 033</u>	<u>136 033</u>
6 FIXED ASSETS		
Fixed assets: beginning of the year	215 143 765	168 087 757
Capital expenditure during the year	57 682 221	56 815 913
Less: Assets written off, transferred or disposed	-	(9 759 905)
Total fixed assets	<u>272 825 986</u>	<u>215 143 765</u>
Less: Loans redeemed and other capital receipts	<u>272 825 986</u>	<u>215 143 765</u>
Net fixed assets	<u>-</u>	<u>-</u>

THULAMELA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

	2007 R	2006 R
7 INVESTMENTS		
Unlisted		
Short-term investments	-	-
	<u>-</u>	<u>-</u>
8 LONG-TERM DEBTORS		
Sale of sites	4 172 847	5 950 651
Housing	196 394	196 394
Motor Vehicle Loan	325	5 760
	<u>4 369 567</u>	<u>6 152 805</u>
Less: short-term portion transferred to current assets	<u>3 630 690</u>	<u>4 415 849</u>
	<u>738 877</u>	<u>1 736 956</u>
9 INVENTORY		
Inventory represent consumable stores	(37 379 703)	1 210 305
	<u>(37 379 703)</u>	<u>1 210 305</u>
10 DEBTORS		
VAT	11 088 001	4 621 647
Government Traffic	195 553	154 589
Advance payment	25 993	-
RD Cheques	447 973	726 766
Debtor vhembe	20 760 295	20 760 295
Service debtors	148 164 036	173 620 038
Other debtors	4 590	-
	<u>180 686 440</u>	<u>199 883 335</u>
Less: Provision for bad debts	<u>(79 035 061)</u>	<u>77 204 423</u>
	<u>101 651 379</u>	<u>122 678 912</u>
11 DEFERRED CHARGES		
Preliminary expenses	-	-
Issue expenses	-	-
Commission	-	-
	<u>-</u>	<u>-</u>
12 PROVISIONS		
Insurance fees	-	-
Provision for leave	5 067 762	3 370 741
Auditor's remuneration	-	-
	<u>5 067 762</u>	<u>3 370 741</u>
13 CREDITORS		
Creditor Vhembe	750 817	750 817
Trade Creditors	4 266 608	-
Sundry Creditors	36 829	4 001
Accruals	13 953 802	4 096 590
Retention creditors	1 253 530	1 253 531
Project creditors	(144 423)	-
	<u>20 117 164</u>	<u>6 104 939</u>
14 ASSESSMENT RATES		
Residential	-	-
Commercial and Government	-	9 475 590
Valuation is done on a four yearly basis. Tax is levied on land value only.		
For the year under audit 100 percent rebates were granted to rural residential sites.		
15 COUNCILLORS' ALLOWANCES		
Mayor's allowance	352 921	
Councillors' allowances	9 710 024	
Councillors pension contribution	1 383 719	
	<u>11 446 664.08</u>	<u>4 754 590</u>
16 AUDITOR'S REMUNERATION		
Audit fees	356 517	814 286
Current year provision	-	-
Previous year provision	-	-

THULAMELA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

	2007	2006
17 FINANCE TRANSACTIONS		
Total Interest earned or paid		
Interest earned	23 206 559	17 626 624
Interest paid	<u>4 372</u>	<u>4 372</u>
	R	R
18 APPROPRIATIONS		
<i>Appropriation account</i>		
Accumulated surplus / (deficit): beginning of year	116 911 286	29 333 119
Net operating surplus for the year	(76 626 788)	87 578 167
Operating surplus / (deficit) for the year	(76 470 020)	44 476 130
Appropriations for the year	(156 769)	
Contribution to Capital Development Fund	-	-
Contribution to Leave Reserve	-	-
Provision for bad debts	-	-
Provision for insurance	-	-
Prior year adjustment		43 102 037
Provision for audit	-	-
Contribution to fixed assets	-	-
Accumulated surplus / (deficit): end of year	<u>40 284 498</u>	<u>116 911 286</u>
19 CASH GENERATED BY OPERATIONS		
Surplus / (deficit) for the year	(76 626 788)	44 476 130
Adjustments in respect of previous years' operating transactions	-	43 102 037
Appropriations charged against income:		
Capital development fund		
Community fund	-	-
Provisions and reserves	-	4 153 780
Fixed Assets	60 340 619	56 815 913
Capital charges:		
Interest and redemption paid:		
to internal funds	-	4 372
on external loans	-	-
Investment income (operations)	23 206 559	(17 626 624)
Non-operating income:		
Credited to funds	(10 566)	(346 465)
Capital expenditure		-
Non-operating expenditure:		
Debited to funds		1 766 371
Debited to provisions and reserves	1 697 021	-
Non-cash flow adjustment	<u>8 606 845</u>	<u>132 345 514</u>
20 (INCREASE) / DECREASE IN WORKING CAPITAL		
(Increase) / decrease in stock	38 590 008	1 215 311
(Increase) / decrease in debtors	21 027 534	(52 766 326)
(Increase) / decrease in long-term debtors	998 081	(924 193)
Increase / (decrease) in creditors	14 012 225	(25 163 946)
(Increase) / decrease in short-term debtors	785 159	(1 601 744)
	<u>75 413 006</u>	<u>(79 240 898)</u>
21 INCREASE / (DECREASE) IN LONG-TERM LOANS (EXTERNAL)		
Loans raised	-	-
Loans repaid	<u>-</u>	<u>-</u>

THULAMELA LOCAL MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS AT 30 JUNE 2007 (continued)

	2007	2006
	R	R
22 (INCREASE) / DECREASE IN EXTERNAL CASH INVESTMENTS		
Investments made	-	-
Investments realised	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
23 (INCREASE) / DECREASE IN CASH ON HAND		
Cash balance: beginning of the year	36 542 823	20 982 718
Less: Cash balance: end of the year	37 016 495	36 542 823
	<u>(472 672)</u>	<u>(15 560 105)</u>
24 RETIREMENT BENEFITS		
Personnel are members of the Municipal Pension Fund or IMATU Retirement Fund. The last actuarial valuation was on 31 December 1996.		
25 CONTINGENT LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantees	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

THULAMELA LOCAL MUNICIPALITY						
APPENDIX A						
STATUTORY FUNDS, RESERVES AND PROVISIONS						
	Balance at 30/6/2006	Contributions during the year	Interest on investments	Other income	Expenditure during the year	Balance at 30/6/2007
STATUTORY FUNDS	R	R	R	R	R	R
Capital development fund	11 633 546	-	-	-	-	11 633 546
	11 633 546	-	-	-	-	11 633 546
RESERVES AND PROVISIONS						
Leave provision	3 370 741	1 697 021	-	-	-	5 067 762
Working Capital Reserves	20 126 785	-	-	-	-	20 126 785
Computer Replacement Fund	950 000	-	-	-	-	950 000
Vehicle Replacement Fund	5 948 900	-	-	-	-	5 948 900
Maintenance Reserve Fund	-	-	-	-	-	-
	30 396 426	1 697 021	-	-	-	32 093 447
TRUST FUNDS						
Mukumbani Housing Project	(48 835)	-	-	-	-	(48 835)
Waste Management	(320)	-	-	-	-	(320)
Lwamondo Agro	707	-	-	-	-	707
Tshifudima Project	62 951	-	-	-	-	62 951
Tamisani Rural Project	13 096	-	-	-	10 566	2 530
Milaboni PHP	19 094	-	-	-	-	19 094
Xikundu PHP	(2 764)	-	-	-	-	(2 764)
Tshiavha, Tshidzivhe PHP	1 359 272	-	-	-	-	1 359 272
Murara Agriculture Project	(9 350)	-	-	-	-	(9 350)
Tshamutilikwa	9 766	-	-	-	-	9 766
	1 403 617	-	-	-	10 566	1 393 051
	43 433 589	1 697 021	-	-	10 566	45 120 044

THULAMELA LOCAL MUNICIPALITY

APPENDIX B

EXTERNAL LOANS AND INTERNAL ADVANCES

EXTERNAL LOANS	Balance at 2006/06/30	Received during the year	Redeemed or written off during the year	Balance 2007/06/30
	R	R	R	R
Government loans	-	-	-	-
Other loans	-	-	-	-
	-	-	-	-
<i>No outstanding loans existed at the year-end</i>				

Payable in the next year R nil.
(Refer to note 4)

THULAMELA LOCAL MUNICIPALITY

APPENDIX C

ANALYSIS OF FIXED ASSETS

Expenditure 2005/2006 R	SERVICE	Budget 2006/2007 R	Balance at 30-Jun-06 R	Expenditure 2006/2007 R	Written off, transferred, redeemed or disposed of during year R	Balance at 30-Jun-07 R
45 494 035	RATE AND GENERAL SERVICES	101 314 444	180 449 033	54 422 819	-	234 871 852
36 927 241	COMMUNITY SERVICES	54 521 851	141 517 704	41 768 017	-	183 285 721
4 959 883	Public works		66 577 442	1 636 951	-	68 214 393
-	Estates			-	-	-
28 157 943	Roads and Stormwater	48 092 065	28 157 943	36 265 970	-	64 423 913
-	Streetlights			-	-	-
1 222 066	Council's General	3 739 786	40 580 540	3 664 196	-	44 244 736
-	Municipal Manager	400 000		-	-	-
2 587 349	Traffic services	2 290 000	6 201 779	200 899	-	6 402 678
6 412 768	SUBSIDISED SERVICES	40 646 593	22 375 678	11 642 393	-	34 018 071
-	Civil protection	-	-	-	-	-
6 412 768	Municipal buildings	4 347 905	6 412 768	2 143 657	-	8 556 425
-	Parks, recreation and cemetery	36 298 688	15 962 910	9 498 735	-	25 461 645
-	Abattoir	-	-	-	-	-
2 154 026	ECONOMIC SERVICES	6 146 000	16 555 651	1 012 409	-	17 568 060
2 154 026	Cleaning	6 146 000	10 260 261	1 012 409	-	11 272 670
-	Sanitation service		6 295 390	-	-	6 295 390
11 321 878	31 472 327	7 000 000	34 694 731	5 917 800	-	40 612 531
11 321 878	Electricity service	7 000 000	11 321 878	5 852 294	-	17 174 172
-	Water service		23 372 853	65 506	-	23 438 359
56 815 913	TOTAL FIXED ASSETS	108 314 444	215 143 764	60 340 619	-	275 484 383
LESS: LOANS REDEEMED AND OTHER CAPITAL RECEIPTS			215 143 764	60 340 619	-	275 484 383
Loans redeemed and advances repaid			-	-	-	-
Contributions from operating income			185 672 704	22 341 542	-	208 014 246
Grants and subsidies			29 471 060	37 999 077	-	67 470 137
Reserves				-	-	-
NET FIXED ASSETS			-	-	-	-

THULAMELA LOCAL MUNICIPALITY

APPENDIX D ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2007

Actual 2006 R		Actual 2007 R	Budget 2007 R
INCOME			
115 370 714	Government and Provincial Grants and Subsidies	(102 953 843)	154 090 097
70 339 242	Operating Income:	270 325 058	97 628 142
9 475 590	Assessment rates	(9 854 410)	13 800 000
-	Income from: Electricity	-	-
83 424	Income from: Water	12 135 831	-
23 100 157	Income from tariffs, service charges etc.	(41 266 464)	42 500 000
37 680 071	Other service charges	309 310 101	41 328 142
<u>185 709 956</u>		<u>167 371 215</u>	<u>251 718 239</u>
EXPENDITURE			
48 303 042	Salaries and allowances	62 320 536	69 870 000
	Purchase of electricity	-	-
31 249 017	General expenses	110 126 678	46 595 380
4 865 854	Repairs and maintenance	9 222 763	11 301 872
4 372	Capital charges	-	-
56 815 913	Contributions to fixed assets(plus Depreci)	60 340 619	120 450 987
-	Contribution to funds	1 830 638	3 500 000
<u>141 238 198</u>	Gross expenditure	<u>243 841 234</u>	<u>251 718 239</u>
-	Less: Amounts charged out	-	-
<u>141 238 198</u>	Net expenditure	<u>243 841 234</u>	<u>251 718 239</u>

THULAMELA LOCAL MUNICIPALITY

APPENDIX E

DETAILED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2006 Actual Income R	2006 Actual Expenditure R	2006 Surplus / (Deficit) R		2007 Actual Income R	2007 Actual Expenditure R	2007 Surplus / (Deficit) R	Budget Surplus / (Deficit) R
177 646 885	127 994 171	49 652 714	RATE AND GENERAL SERVICE	179 507 045	243 699 105	(64 192 060)	-
176 319 010	125 662 645	50 656 365	COMMUNITY SERVICES	178 744 613	242 306 107	(63 561 494)	-
9 475 590	-	9 475 590	Assessment Rates	9 854 410	377 016	9 477 394	-
-	-	-	Civil Defence	-	-	-	-
25 346 446	69 484 037	(44 137 591)	Council's General Expenses	108 431 848	181 011 619	(72 579 771)	-
31 026 740	33 372 541	(2 345 801)	Public Works	-	53 677 230	(53 677 230)	-
158 713	1 698 417	(1 539 704)	Services rendered	-	-	-	-
97 121 158	12 751 948	84 369 210	Finance and Fixed Properties	44 549 530	1 028 351	43 521 179	-
13 190 363	8 355 702	4 834 661	Traffic and Licensing	15 908 825	6 211 891	9 696 934	-
-	-	-	SUBSIDISED SERVICES	-	-	-	-
-	-	-	Library	-	-	-	-
-	-	-	Parks, estates and cemeteries	-	-	-	-
1 327 875	2 331 526	(1 003 651)	ECONOMIC SERVICES	762 432	1 392 998	(630 566)	-
1 278 932	2 331 526	(1 052 594)	Cleansing/Refuse removal	758 095	1 392 998	(634 903)	-
48 943	-	48 943	Sewerage	4 337	-	4 337	-
7 194 970	13 239 654	(5 176 584)	TRADING SERVICES	(12 135 831)	142 130	(12 277 960)	-
7 194 970	13 239 654	(5 176 584)	Water and electricity service	(12 135 831)	142 130	(12 277 960)	-
-	-	-	Specific water service	-	-	-	-
184 841 855	141 233 825	44 476 130	TOTAL	167 371 215	243 841 234	(76 470 020)	-
		43 102 037	Appropriations for the year			-	
		87 578 167	Net surplus / (deficit) for the year			(76 470 020)	
		29 333 119	Accumulated surplus / (deficit) at the beginning of the year			116 911 286	
		<u>116 911 286</u>	ACCUMULATED SURPLUS / (DEFICIT) AT THE END OF THE YEAR			<u>40 441 266</u>	

THULAMELA LOCAL MUNICIPALITY

APPENDIX F

STATISTICAL INFORMATION ENDED 30 JUNE 2007

1 GENERAL STATISTICS

POPULATION	548 563
NUMBER OF EMPLOYEES	493
REGISTERED VOTERS (1999)	194 132
REGISTERED VOTERS (2004)	242 808

SEVICE DELIVERY

2.1 DWELLING TYPE

FORMAL	72 590	57%
TRADITIONAL	51 722	41%
INFORMAL	2 168	1.7%
OTHER	208	0.16%
	126 688	100%

2.2 REFUSE

MUNICIPAL WEEKLY	10 936.000
MUNICIPAL OTHER	1 072.000
COMMUNAL DUMP	688.000
OWN DUMP	84 622.000
NO DISPOSAL	29 370.000
TOTAL	126 688.000

2.3 SOURCES OF ENERGY FOR LIGHTING

ELECTRICITY	75 238.00
GAS	230.00
PARAFFIN	20 029.00
CANDLES	29 915.00
SOLAR	541.00
OTHER	735.00
TOTAL	126 688.00

2.4 SANITATION

FLUSH TOILET	11 720
FLUSH SEPTIC TASK	1 653
CHEMICAL TOILET	827
VIP	8 155
PIT LATRINE	64 185
BUCKET LATRINE	590
NONE	39 558
TOTAL	126 688

2.5 WATER

DWELLING	9 984
INSIDE YARD	40 876
COMMUNITY STAND PIPE	20 799
BOREHOLE	3 662
COMMUNITY STAND PIPE OVER 200M	36 053
SPRING	4 550
RAINTANK	154
DAM/POOL/SIAGNAST	658
RIVER	4 097
WATER VENDOR	435
OTHER	5 420
TOTAL	126 688